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CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

10 August 1951

Memorandum for the Director of Central Intelligence

Subject: Increasing Italian Restiveness over Trieste and Its
Implications

Press, public and governmental excitement over the Trieste issue has grown in Italy, Yugoslavia and Trieste itself over recent weeks. Circumstances in Italy are such that between now and the Trieste elections in October public inflammation may mount to proportions that could endanger the stability of the Italian Government, and at the extreme even threaten Italian participation in NATO. In any event, the presently indeterminate status of Trieste will produce progressively more intense flare-ups of public opinion and mutual recrimination between Italy and Yugoslavia and will hinder the closer defense cooperation desirable in the Adriatic.

Virtually all sectors of Italian opinion are united, though for diverse reasons, in demanding the return of the entire Free Territory of Trieste to Italy, as "promised" by the Tri-Partite Declaration of 20 March 1948. To the nationalist-minded, Italy has suffered only humiliating foreign policy defeats since the end of World War II. This nationalist frustration has been increasingly focused upon the Trieste issue, which has generated powerful, irrational sentiment in Italy. Italian Communist propaganda has been maintaining that Italy lost its leverage with regard to Trieste by joining NATO, and increasingly larger non-Communist sectors of opinion are tying Italy's

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continued NATO adherence to a satisfactory solution on Trieste. Factors contributing to rising Italian excitement include: (a) AMG opposition to a number of Italian measures designed to extend Italian influence in Zone A (the city of Trieste and environs under the jurisdiction of AMG); (b) the surge of public and governmental demands for Italian Peace Treaty revision (in which the question of Trieste plays a major part); (c) alleged continued Yugoslav abuse of Italian nationals in Zone B (the hinterland of Trieste under Yugoslav control); and (d) Italian apprehension over the increased influence of Yugoslavia in Western councils.

The Yugoslavs have, hitherto at least, been less excitable and more moderate on the question than the Italians. Over the past two years they moved progressively toward the de facto incorporation of Zone B into Yugoslavia proper and have indicated they would be amenable to a solution of the problem along present de facto lines (Zone A to Italy, Zone B to Yugoslavia). In reaction to the recent Italian uproar, Yugoslavia has reiterated its stand against any other compromise.

Illustrative of the present gap between the positions of the two countries was the diverse reaction to De Gasperi's recent statement on the Trieste question. De Gasperi sought to calm Italian opinion, although continuing to insist upon the Tri-Partite Declaration as a basis of negotiation. His moderate address was not well received in Italy, and his effort to quell nationalist agitation was made at considerable cost in personal prestige. At the same time, moreover, his speech was castigated by the Yugoslav press and brought forth a strong response from Tito, who emphasized that Yugoslavia would make no concession of territory to Italy from Zone B and refused to consider the Tri-Partite Declaration as a basis of negotiation.


The US, while favoring Italo-Yugoslav direct negotiation, has hitherto been reluctant to exert any direct pressure upon either Italy or Yugoslavia, inasmuch as any solution is bound to be unsatisfactory to one or probably both parties with the blame directed against the

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US. Furthermore, no "solution" can be expected to silence public agitation on the question. However, continuation of progressively more intense flare-ups on the question may well prove more dangerous to US security interests in the Adriatic than any solution, however unsatisfactory. This is especially true insofar as an indeterminate Trieste situation makes politically impossible Yugoslav and Italian consideration of defense problems of common interest to Italy, Yugoslavia and NATO. In any event, revision of the Italian Peace Treaty and the rising crescendo of Italian public agitation will in all likelihood force some early decision with regard to Trieste.

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